AMERICAN TEXTILE
MANUFACTURERS INSTITUTE

Statement of the
AMERICAN TEXTILE MANUFACTURERS INSTITUTE
(ATMI)

Before the U.S. Consumer Product Safety Commission

June 19, 2002

Good morning. My name is Hank Truslow, Jr. and I am the President and an owner of Sunbury Textile Mills. Sunbury Textiles is a medium sized upholstery mill that employs about 260 people. It is recognized as being one of the top 15 mills in the country in terms of sales volume. We produce about 4 million yards of fabric a year and serve the residential, contract, and outdoor markets.

I am also the Chairman of the American Textile Manufacturers Institute (ATMI) Home Furnishings Committee and a member of the ATMI Board of Directors. On behalf of ATMI and all of its members, I want to thank the Commission for holding this public meeting. We believe the time is right to bring all the stakeholders together to address this consumer safety issue that we've all been involved with for several years now.

We all know that textiles will burn. ATMI's Home Furnishings Committee has been actively engaged with the Commission on the small open flame upholstered furniture flammability issue for the past eight years. We have met with the commissioners and CPSC staff on several occasions to educate and inform the Commission about the unique challenges facing the upholstery fabrics sector of the textile industry in complying with a small open flame furniture standard. We appreciate the hard work done by the CPSC staff on this project, and believe the staff now has a much broader understanding and appreciation of the complexities of this issue – both technical and economic – than they had at the

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beginning of the process. Indeed, the affected industries are much better educated about those complexities now than we were when this rulemaking began in 1994.

Over the last few years, ATMI, as part of a broader industry coalition, has provided the Commission with information on several aspects of the draft proposed standard, including information on the economic impact of the draft standard (the Glassman-Oliver Study), the fiber and textile complex, flaming versus smoldering ignition, use of flame retardant chemicals, and consumer preferences. In February 2001 ATMI issued a position statement on upholstered furniture flammability. Our position has not changed. ATMI supports and is working toward a comprehensive standard, including all upholstered furniture components, that:

- Is based on sound scientific research,
- Is technically feasible,
- Is economically viable for both the industry and consumer,
- Is based on treating upholstered furniture as a synergistic combination of foam, filling materials, fabric and other components, and
- Protects consumer choice of upholstery fabric.

This morning you will hear from several fabric manufacturers. I ask you to listen and consider their presentations carefully, as each was put together with a great deal of thought toward addressing this complex consumer safety issue while continuing to manufacturer fabrics in this country. As you listen to each presentation, I'd like you to take into account the differences in these companies. Some are small and family-owned, others large and publicly held. They represent a variety of capabilities for fabric treatment and testing. There are differences in their product offerings, from very high-end specialty upholstery fabrics to more moderately priced styles. They vary in geographic location from the northern to southern United States. All are consumers themselves and are concerned that their products be used in an appropriate manner to provide consumers with a safe finished product. They are also industry leaders who are *responsible for the continued employment of many other people in their* communities.

The presentations you will hear this morning will address several technical and business issues. I'd like to just briefly address some major issues for our industry overall:

<u>The CPCS's Interliner Option</u>

While we do believe that the CPSC made an important change to the original draft standard by allowing the use of flame retardant "interliners" or barrier materials, we don't believe the Commission has developed a proposal that is economically viable for the textile industry, nor does it address the real life nature

of upholstered furniture – a composite structure made up of many component materials, including filling materials, foam and fabric. Testing by many organizations, including the CPSC, has demonstrated that these components can have a synergistic affect when impacted by a small open flame source, such as a candle, lighter or match.

Fabric manufacturers do not always know how their fabrics will ultimately be used. Our upholstery fabrics find their way into many applications, including bedspreads, throw pillows, wallcoverings, and draperies.

When our fabrics are sold for use in upholstered furniture, it is up to the furniture manufacturer – not the fabric mill supplying the upholstery fabric -- to determine the construction methods and components to be used. As currently drafted, the CPSC's proposal, even with the alternative interliner test, will still require that virtually all upholstery fabrics be tested for compliance to the standard using the CPSC's draft sampling plan and recordkeeping requirements.

CPSC Sampling Plan

The draft sampling plan for upholstery fabrics outlined in the 2001 staff briefing package is a major concern for our members. ATMI's Patty Adair has been working with Dale Ray to understand the complexities of the draft proposed sampling plan and how our industry would be required to establish compliance if the standard were promulgated as currently drafted.

To quantify the compliance costs confronted by our industry using the CPSC's sampling plan, several manufacturers have tabulated their testing costs for the first year, and for subsequent years. You will hear from several companies on this issue.

We understand that this is an issue that will not be resolved today and we want to continue working with Dale and other CPSC staff members on this critical economic issue for our members.

Draft Proposal from the Ca. Bureau of Home Furnishings on TB-117

The California Bureau of Home Furnishings released a draft revision on Technical Bulletin117 in February. The draft test method is based on a 4% weight loss over 10 minutes. Several ATMI members have tested their products using the Ca. Bureau's draft proposed weight loss method. So far, we have not found a single commercially available fabric that will pass this method untreated. In addition, testing has shown that only a small percentage of fabrics will pass with a flame retardant backcoating. And even with the use of a flame retardant interliner or barrier material, very few commercially available upholstery fabrics pass this test.

Companies that have completed testing programs using the California Bureau's draft proposed test method have submitted this information to the Commission for this meeting. You will be hearing more detailed information from them this morning.

Use of Flame Retardant Chemicals on Upholstery Fabrics

We question both the technical and economic viability of using commercially available flame retardant treatments on upholstery fabrics. Very few U.S. textile companies currently use flame retardant chemicals to treat upholstery fabrics. We have already provided information to the Commission on our experiences testing FR treated fabrics in the UK and using the 1997 CPSC draft proposed test method. Testing sponsored by ATMI and the American Fiber Manufacturers Association, and performed by BASF, indicated that almost half the fabrics FR-treated to pass the UK standard did not pass the CPSC's previously released draft test method for upholstery fabrics. This information was provided to the Commission in February 2001. We continue to believe that reliance on the outer cover fabric of a piece of upholstered furniture to prevent involvement of the interior components is a very risky proposition.

We are aware of concerns in Europe -- particularly for nursing mothers and infants -- about the use of some brominated flame retardants used in upholstered furniture, and we understand that the U.S. Environmental Protection Agency is now studying this issue at the request of the First Lady.

We are textile manufacturers -- not toxicologists -- and we must rely on the chemical companies and our government for information on the toxicity of chemicals used on textiles. For the past 15 years or more, the domestic textile industry has tried to move away from chemical applications toward more recyclable textile products. ATMI members work hard to protect the environment and textile workers from exposure to harmful substances through participation in the ATMI E3 program – *Encouraging Environmental Excellence* and ATMI's *Quest for the Best in Safety and Health*. Information on both of these programs has been distributed to the meeting attendees.

Again, thank you for the opportunity for all the stakeholders to talk openly about these important issues by providing this valuable forum for discussion. I'd be happy to take questions, or if you'd prefer, we can go directly to the next presentation from ATMI member Roger Berkley.

Upholstered Furniture Flammability Proceeding
Consumer Product Safety Commission
June 18, 2002

Name: David Pettey, Director of Corporate Technology and Product Development
Company Affiliation: Quaker Fabric Corporation of Fall River
ATMI

I would like to start by thanking the staff of the CPSC for providing this opportunity to discuss the business and technical issues surrounding the CPSC's proposed Upholstered Furniture Open Flame Standard. Furthermore, I want to make it clear that Quaker fully supports the CPSC's mission of **"protecting the public from unreasonable risks of injuries and deaths associated with some 15,000 types of consumer products."** Our comprehensive analysis of the costs of complying with this proposed standard, however, indicates that those costs are vastly disproportionate to any benefits the public could possibly hope to derive from its adoption. Or, put somewhat differently, while we recognize the importance of the work being done by the CPSC to protect the public from the risk of fire-related injuries and deaths, Quaker believes the approach reflected in this proposed standard is totally unworkable and, therefore, not a solution at all. In addition, our analysis further indicates that this proposed standard cannot be implemented, even if the technology required to implement it can be developed, without enormous harm to the economy and to the very consumers the CPSC is charged with protecting.

More specifically, Quaker estimates that it would have to spend approximately **$211million**, or **1.4 times** its current equity position, to move itself into compliance with this standard. This effort, and these costs, would be repeated at every upholstery fabric mill in the United States of which Quaker represents only 12%, yielding an aggregate industry investment that could easily exceed **$1.6 billion**. Yes, I said, **1.6 billion** U.S. dollars to solve 0.23% of a problem. And I say 0.23%, or less than a quarter of a percent, because that's really the only real benefit the public could expect to enjoy from this huge expenditure of time and money. Where does that quarter of a percentage point come from? The NFPA estimates that upholstery fires account for only 8.8% of civilian injuries from fires. And the vast majority of those civilian injuries, over 82% according to the NFPA, are the result of cigarette ignitions. The balance, or 18%, is attributable to non-cigarette upholstery fires, and only 15% of those are accidental. Therefore, this standard will only address 2.7% of the problem – that is, 15% of the 18% of fires that are not related to cigarettes. So, net, net, for $1.6 billion , the public puts 0.23% of a problem behind it – 2.7% of 8.8%. And, that calculus doesn't seem quite right – despite the worthiness of the CPSC's objectives in this area.

It is Quaker's belief that to effectively reduce the risk of injuries and deaths from furniture fires, the root causes of these fires must be addressed and responsibility for required preventative measures appropriately assigned. It is generally understood that, with the exception of cigarette ignitions, most *accidental* furniture fires are in fact the result of

intentional acts with unintended consequences. Fires started by children playing with matches, lighters, candles and other ignition sources can be addressed most effectively through appropriate adult supervision and education in the home. A child intent on starting a fire in their home who is having no success with a furniture piece, will simply turn his or her attention to newspapers, paper goods, drapes or other flammable materials. Quaker also believes that cigarette ignitions are best addressed through public education and/or the development and marketing of self-extinguishing cigarettes. Shifting responsibility from the consumer to the manufacturers of upholstered furniture products gets away from the CPSC's mission of protecting consumers from unreasonable risks. More importantly, this approach fails to address root cause. Protecting consumers from consumers is beyond the scope of the CPSC's mission.

Secondly, if the decision is ultimately made to shift the burden of fire prevention from the consumer to the manufacturers of upholstered furniture, the approach taken in this proposed standard reflects a fundamental misunderstanding of the most effective way to ensure that the entire piece of upholstered furniture presents the least risk to the consumer. The principal fuel load concern lies not in the cover fabrics used to upholster the furniture pieces, but rather in the foam, and to a lesser extent, the wood frames of the pieces. Yet, there are no aspects of the proposed standard that address the flammability of the foam used. Instead, the implicit assumption inherent in this standard is that the fabric cover must somehow be manufactured in a way that will allow it to serve as the equivalent of an iron casing, preventing the intentional ignition of the highly combustible foam. Furthermore, the proposed mandatory standard calls for component rather than composite testing. In other words, the fabric is expected to prevent the ignition of a literally infinite number of fuel source combinations, none of which is known to the fabric manufacturer at the time it is required to ensure compliance with the standard. If the conclusion is reached that a voluntary or mandatory standard is justified, the most effective control point would be the final furniture manufacturer – because it is only the final manufacturer that will have the kind of comprehensive information about both the components used in their products and the way in which those components are assembled that is needed to ensure that any flame retardency standards are met.

Quaker has considerable experience in supplying fabric to the UK, where the fabric we sell is required to pass BS 5852. And, of course, it is the BS 5852 standard on which the proposed CPSC test has been modeled. Our experience has exposed us to all of the best FR latex backing systems being used in the UK. The very backing system we use on the fabrics Quaker sells into the UK is, in fact, supplied to us by the single largest supplier of FR latex systems in the UK. Furthermore, we have conducted countless trials with snake oil salesman, all of whom have boldly proclaimed to have developed the latest FR panacea. Unfortunately, no silver bullets have been developed, and the best technical solutions still reside in the UK - with the definition of "best" for this purpose being that less than 50% of randomly tested "compliant" fabrics in the UK actually meet the BS 5852 standard. This approach seems to work reasonably well in the UK, where the sampling requirements are not well defined, and the culture is far less litigious. It is, however, worth noting that the most effective FR systems (bromine-based) being sold in the UK are now under review due to concerns about their potential environmental impact. In addition, as a practical matter, it has been our experience that the CPSC's draft standard is more difficult to pass.

The chemical technology required to ensure that all fiber, weave, yarn and construction combinations meet the proposed standard does not exist. Furthermore, combinations of technologies (e.g., FR backing systems with an FR barrier) have not been effective at meeting the standard as it is currently written. Moreover, the aesthetic value of the resulting products is adversely affected. The very characteristics that attract consumers – color, hand, drapeability, texture and softness – are all negatively affected by the addition of UK type FR systems. While the UK market has become accustomed to relatively drab and lackluster upholstery, the US consumer has become increasingly discriminating. Therefore, US consumers presented with fabric covers treated in compliance with this proposed standard can be expected to either defer future furniture purchases and/or resort to throws and slipcovers. In both instances, the consumer will not benefit from the standard, and the US textile industry including the many individuals whose livelihoods depend on the strength of the US textile industry, will be dealt another severe blow.

The cost of implementation, given the standard's sampling requirements, would be prohibitive. Due to the significant increase in the amount of latex backing required to comply with the proposed standard, the speed of the finishing equipment in use by the industry would have to be reduced by at least one-half. In addition, the sampling process required by the standard virtually guarantees a near 100% rework level, with no hope of advancing to the reduced testing phase. As shown in Appendix A, a fabric that inherently passes 80% of the time, would be required to pass 12 consecutive times as described in the sampling protocol, before it could be released for shipment. Therefore, $(80\%)^{12}$ yields a much reduced success rate of 6.87%. It should be noted that our projections are based on our current experience in supplying fabrics to the UK and, therefore, have a high degree of precision to them. In combination, reduced speeds in our finishing area and an almost doubling of our rework requirements would mean that Quaker would have to purchase and install 27 additional finishing lines, compared to its current nine. The capital required for such an installation, including the cost of land and buildings to house the new equipment, would be approximately **$148,000,000.** This also includes the necessary emissions control systems, as well as the additional warehousing space that would be needed for the sole purpose of retaining the volumes of tested samples.

The cost of compliance, based on the sample plan, is equally prohibitive. Again, our projection is that almost everything we produce (93.13%) would have to be reworked and, therefore, re-tested at least twice. The annual cost of testing and associated sample retention would be approximately **$54,328,343.** Details for this value can be found in Appendix B.

The cost of developing and re-engineering our 60,000 SKU's would be equally staggering. Again, our experience in supplying the UK tells us that color does count. When it comes to meeting the current FR standard in the UK, yarn substitutions are the norm and not the exception. The re-engineering costs of doing this are, of course, in addition to the cost of applying the required FR backing. Each SKU must be individually re-engineered, with a

success rate of one in three trials. This translates to an additional cost of **$22,661,818**. Details of this calculation can be found in Appendix C.

The promulgation of this proposed standard would further open the door to imported fabric. To date, the fashion content of the fabrics produced by the American textile industry has served as a reasonably effective entry barrier to foreign competition. These non-commodity, differentiated fabrics bring with them smaller order sizes, shorter product life cycles and accelerated delivery lead times and, all of those things, taken together, have made it difficult for foreign fabric producers to compete effectively in the American market. The re-engineering effort required by this proposed standard, and its related costs, would play into the hands of foreign competition by placing a premium on fewer and simpler designs, constructions and fiber types. Our Asian competitors, in particular, with their plain, commodity-type products, could not, in their wildest dreams, have wished for a better regulatory scheme. Product simplification is the catalyst for reduced lead-times, bigger shop order sizes, and longer product life cycles. Precisely, the things needed for our overseas competitors to sweep the field – wiping out the few remaining healthy US textile firms, and the employment opportunities they represent, in the process.

Affordability of entry price-point furniture would be heavily impacted by this standard. Assuming textile companies are willing to attempt to persuade their banks and other financing sources to make the significant capital investments required – and those same banks and financing sources are willing to be persuaded - the costs associated with this massive compliance effort would ultimately be passed on to the final consumer. A conservative estimate of the total cost of compliance with this proposed standard, including the costs of the required testing, depreciation on the additional finishing and special purpose testing equipment and facilities, processing costs and chemical costs suggests that furniture manufacturers could expect to pay about 66% more for the fabrics they buy – with the wholesale cost of a sofa increasing from $399 to $459, or about 15%, - and the retail cost increasing from $799 to $918, also about 15%. Therefore, the very people we seek to protect will have to wait longer to replace their current upholstered furniture. Particularly given that furniture purchases tend to be discretionary and, therefore, deferrable. Expected price increases of this magnitude also make it more likely than not that consumers will resort to second hand furniture and slipcover options, long before they advance to purchases of FR furniture. Alternatively, if a non-mandatory standard were adopted, consumers could decide for themselves whether the $119 premium might be better spent on smoke alarms, fire extinguishers, fire escapes and appropriate safety training and supervision for their children. Quaker believes that requiring consumers to take personal responsibility for their own safety is much more likely to yield the results the CPSC seeks and Quaker supports.

The environmental and safety impact of this proposed standard at Quaker alone would be significant. Compliance with this standard would require Quaker to use nearly 30,000,000 pounds annually of a Brominated FR latex system (see Appendix D), a substance which the European Community is now reviewing because traces of it have begun showing up in the food chain. VOC emission levels related to the use of this substance in our manufacturing operations would exceed current state standards in Massachusetts. And finally, the testing and compliance regime called for would mandate that Quaker have 200 technicians simultaneously

burning mock-up samples, 24 hours per day, 7 days per week. At that rate, even if there were only "a million to one" chance of any one test getting out of control, Quaker would be statistically due for a major fire incident in as little as 30 weeks. Not to mention the health risks to those technicians having to breathe fumes 8 hours per day. What safety inspector or insurance carrier in the world would issue an occupancy permit or policy to such a testing facility?

3000 families in the Greater Fall River area depend on Quaker's continued success. Fall River is no stranger to the loss of textile jobs. Once hailed as Spindle City, and processing one-third of the world's cotton, Fall River now has but a handful of textile employers. Abandoned textile buildings have long since been converted to public housing and factory outlets, where, of course, clothes produced outside of the US are sold. The closure of Quaker would be a disaster for Fall River, where we are the largest private employer. The 3000 families that are counting on us to remain financially strong would be quickly relegated to surviving on public assistance, particularly given the current state of our economy. The indirect effects of such a closure would yield untold social and economic costs - with crime rates, drug abuse, infant mortality rates, and suicide rates all likely to see significant increases. This scenario would, of course, not be limited to Quaker and Fall River, but would be repeated in many other communities throughout the United States, wherever upholstery fabrics are manufactured.

In summary, Quaker believes that adoption of this proposed standard would not advance the interests of the consumers the CPSC is charged with protecting but would instead result in unintended consequences of such enormous magnitude that the CPSC would be well advised to review every available alternative with exacting care. The risk of wiping out whole industries and whole communities, the safety and health risks to the final consumers – and to the employees who would be responsible for applying the chemicals needed to comply with the standard. The serious risk of death or injury by fire posed to the technicians attempting to keep the product compliant. The dramatic increase in the cost of upholstered furniture to the consumer. All of these factors, coupled with the fact that the technology required to meet the testing requirements does not even exist yet, will ensure that the adoption of the standard will present far more risks to the consumer than it could ever hope to eliminate. Or, put somewhat differently, if TRIS was a fiasco, adoption of this standard would be apocalyptic.

Thank you.

Appendix A

Open Flame Standard - Cost Of Implementation

Quaker Fabric Corporation of Fall River

Cost of Implementation

1	Current Finishing Processes	9	
2	Loss in capacity (reduced speed for higher ad-on)	100%	
3	Increased number of finishing processes	9	
4	Rework levels based on sample plan	93%	
5	Total increase in finishing processes	27	
6	Cost per Finnish process	$2,500,000	
7	Total cost of increased finishing capacity	$67,500,000	
8	Building to house new capacity (900,000 sq.ft @ 60/foot)	$54,000,000	
9	Testing facilities (250 testing positions)	$5,000,000	
10	Environmental compliance (exhaust scrubbers 36 dryers)	$9,000,000	
11	Sample storage building (12,000 cubic feet/week - 6 years)	$10,800,000	(20X425)
12	Cost of land to build new facilities (8, 9, 11)	$2,000,000	
13	25% Contingency - yet to be determined technology	$37,700,000	
14	**Total Implementation Capital**	**$188,500,000**	

Appendix B

Open Flame Standard - Cost Of Compliance
Quaker Fabric Corporation of Fall River

I. First Time Processing Success Rates

	Failure Rate	Success Rate	Specimen # 1	Specimen # 12	Specimen # 60
Actual BS 5852 Experience	20.000%	80.00%	80.00%	6.87%	0.0002%

II. Production Compliance Testing

A Cost of Fabric

1 Weekly Production (yards)	1500000
2 Weekly Samples (1/1000 yards)	1500
3 Weekly Specimens (12 yards/sample)	18000
4 Re-testing (100% - 6.87%)	16763
5 Yards required for testing (c +d)	33527
6 Yardage required for sample retention	18000
7 Total Yards required per week	51527
8 Average cost per yard of fabric	$7.25
9 Cost per week	**$373,569**

B Cost of Foam

1 Cost of foam per specimen	$3.02
2 Specimens per week	33527
3 Cost per week for foam	**$101,251**

C Cost of Labor

1 Specimens/hour/technician	1
2 Labor cost/hour	$17.00
3 Cost/specimen	$17.00
4 Specimens per week	33527
5 Cost per week labor	**$569,956**

D Total Cost of Compliance

1 Weekly	**$1,044,776**
2 Annual	**$54,328,343**

Appendix C

Open Flame Standard - Cost Of Development
Quaker Fabric Corporation of Fall River

Cost of Development

1	Number of SKU's to be re-engineered	60,000
2	Success rate (based on BS 5852 experience)	33%
3	Number of Specimens needed (4 per sku)	727273
4	Cost per test specimen	$31.16
5	**Total Development Costs**	**$22,661,818**

Appendix D

Open Flame Standard - Environmental Impact
Quaker Fabric Corporation of Fall River

I FR Backing System		
	a Brominated compounds (including Tetrabromobispehnol-a	35%
	b Isodecyl diphenyl phosphate	3%
II FR Estimated Usage		
	a Application weight per yard (wet pounds)	0.75
	b Yards per week	1,500,000
	c FR chemical system usage per week - wet weight	1,125,000
	d FR chemicals used per year - dry weight	29,250,000
III. Environmental Impact		
	a Pounds of Brominated compounds	10,237,500
	b Annual level of VOC @ 0.07%	40,950
	c Current threshold limit	40,600
	d Pounds in excess of threshold	350

QUAKER FABRIC

Statement of David Pettey
Quaker Fabric Corporation of Fall River, Member of American Textile Manufacturers Institute

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June 18-19, 2002

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Quaker fully supports CPSC's mission of:

"protecting the public from unreasonable risks of injuries and deaths associated with some 15,000 types of consumer products"

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Addressing Root Cause:

Quaker estimates that we would have to spend approximately **$211 million**, or **1.4 times** our current equity position, to move into compliance with this standard

Repeated at every upholstery fabric mill in the United States of which Quaker represents only 12%, yields an aggregate industry investment that could easily exceed **$1.6 billion**

$1.6 Billion to solve 0.23% of the problem

The NFPA estimates that upholstery fires account for only 8.8% of civilian injuries from fires

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Addressing Root Cause:

The vast majority of those civilian injuries, over 82% according to the NFPA, are the result of cigarette ignitions

The balance, or 18%, is attributable to non-cigarette upholstery fires, and only 15% of those are accidental

Therefore, this standard will only address 0.237% of the problem – that is (15%)(18%)(8.8%) of fires that are not related to cigarettes

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Addressing Root Cause:

Net, net, for $1.6 billion, the public resolves 0.23% of a problem

That calculus doesn't seem quite right – despite the worthiness of the CPSC's objectives in this area

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Addressing Root Cause:

Any effective effort to reduce death and injuries must address root causes

Preventative measures and responsibility must be appropriately assigned

Other than cigarette ignitions, most *accidental* furniture fires are in fact intentional acts

Children playing with matches is most effectively addressed through adult supervision

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Addressing Root Cause:

Children failing to ignite a furniture piece will simply turn to other flammable materials

Cigarette ignitions can be addressed through public education

Cigarette ignitions can also be addressed via the marketing of self-extinguishing cigarettes

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Addressing Root Cause

Shifting responsibility from the consumer to the manufacturers of upholstered furniture products gets away from the CPSC's mission of protecting consumers from unreasonable risks

This approach fails to address root cause

Protecting consumers from consumers is beyond the scope of the CPSC's mission

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Burden of Responsibility

The proposed standard reflects a basic misunderstanding of the most effective way to ensure that the entire piece of upholstered furniture presents the least risk to the consumer

The fuel load lies not with the cover fabrics, but rather with the foam

The proposed standard does not address the flammability of the foam

Fabric is expected to serve as an iron casing, preventing the intentional ignition of the highly combustible foam

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Burden of Responsibility

The proposed standard calls for component rather than composite testing

The fabric manufacturer does not have knowledge of the ultimate and approaching infinite number of furniture constructions

A composite test better serves the final consumer

Only the furniture manufacturer has complete knowledge of the combinations of foam and fillers used in the construction of its products

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Quaker's BS 5852 Experience

Quaker has considerable experience supplying upholstery fabric to the UK

The standard proposed by the CPSC test has been modeled after BS 5852

We have been exposed to the best FR latex backing systems used in the UK

The backing system we use is supplied to us by the largest manufacturer of FR latex systems in the UK

We have conducted countless trials with snake oil salesman boldly proclaiming to have developed the latest FR panacea. The silver bullet has not been developed

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Quaker's BS 5852 Experience

The best solutions still reside in the UK. "Best" being defined as no more than 50% of randomly tested "compliant" fabric in the UK actually meets the BS 5852 standard

The UK has very loosely defined sampling and compliance requirements

The UK enjoys a far less litigious culture

The most effective FR systems (Bromine-based) being sold in the UK are now under environmental scrutiny

The CPSC test is more difficult to pass than BS 5852

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Technology Does Not Exist

The chemical technology required to ensure that all fiber, weave, yarn and construction combinations meet the proposed standard does not exist

Combinations of technologies (e.g., FR backing systems with an FR barrier) are not effective at meeting the proposed standard

The aesthetic value of the resulting products is adversely affected, The very characteristics that attract consumers – color, hand, drapeability, texture and softness – are all negatively affected by the addition of UK type FR systems

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Technology Does Not Exist

The UK market has become accustomed to lackluster upholstery

While the US consumer has become increasingly discriminating

US consumers presented with fabric covers treated in compliance with this proposed standard are more likely to: defer their future furniture purchases or resort to throw-covers

Consumers most in need will not benefit from the standard

The US textile industry will be dealt another severe blow

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Prohibitive Cost of Implementation

The standard's sampling requirements are prohibitive

Finishing processes would have to be quadrupled

Three fold higher application weights

Sampling plan ensures at least a 93% rework level

Quaker's 80% success rate with BS 5852 translates to 6.87% with the CPSC protocol

Capital outlay required of Quaker alone would be **$188,500,000**

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Prohibitive Cost of Compliance

Based on the sample plan, Quaker's conservative annual cost of compliance is **$54,328,343**

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Prohibitive Cost of Development Work

Quaker would have to re-engineer our 60,000 SKU's

UK experience is one success out of three trials

This translates to an up-front development cost of **$22,661,818**

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Opening The Door To Imports

The fashion content of the fabrics produced by the American textile industry has served as a reasonably effective entry barrier to foreign competition

Non-commodity, differentiated fabrics bring with them smaller order sizes, shorter product life cycles and accelerated delivery lead times

All of these things have made it difficult for foreign fabric producers to compete effectively in the American market

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Opening The Door To Imports

The re-engineering effort required by this proposed standard, and its related costs, would play into the hands of foreign competition by placing a premium on fewer and simpler designs, constructions and fiber types

Asian competitors, in particular, with their plain, commodity-type products, could not, in their wildest dreams, have wished for a better regulatory scheme

Product simplification is the catalyst for reduced lead-times, bigger shop order sizes and longer product life cycles. Precisely the things needed for our overseas competitors to sweep the field

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Non-Affordability of Entry Price Furniture

Assuming textile companies are willing to attempt to persuade their banks and other financing sources to make the significant capital investments required

Assuming those same banks and financing sources are willing to be persuaded

The costs associated with this massive compliance effort must ultimately be passed on to the final consumer

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Non-Affordability of Entry Price Furniture

The aforementioned conservative cost estimate translates to an increase in fabric cost of 66%

The wholesale price of a commodity sofa would increase from $399 to $459

The retail price of the same furniture piece would increase from $799 to $918

The very people we seek first to protect will be the last to be helped

These consumers would be forced into buying second hand furniture and throws

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Non-Affordability of Entry Price Furniture

Given the choice, where would consumers prefer to spend this $119 premium?

Smoke alarms, fire extinguishers, fire escapes or safety training and supervision for their children

Quaker believes that requiring consumers to take personal responsibility for their own safety is much more likely to yield faster and more substantial results

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Environmental and Safety Impact

Compliance with this standard would require Quaker to use nearly 30,000,000 pounds annually of a Brominated FR latex system

Latex systems, which the European Community is now questioning because traces of them have begun showing up in the food chain (bioaccumulating). Some are on the NAS list of hazardous FR chemicals

VOC emission levels would exceed current Massachusetts standards

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Environmental and Safety Impact

The proposed testing regime would mandate our having 200 technicians simultaneously burning mock-up samples, 24 hours/day, 7 days/ week

At that rate, even a one in a million chance of any one test getting out of control, would translate to our being statistically due in < 30 weeks

Is the health risks of Quaker's testing technicians having to breathe fumes 8 hours per day part of the balanced equation (hydrogen cyanide) ?

What safety inspector or insurance carrier in the world would issue an occupancy permit or policy to such a testing facility?

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Impact on 3000 Fall River Families

Three thousand families in the Greater Fall River area depend on Quaker's continued success

Fall River is no stranger to the loss of textile jobs. Once hailed as Spindle City and processing one-third of the world's cotton, Fall River now has but a handful of textile employers

Abandoned textile buildings have long since been converted to public housing and factory outlets where, of course, clothes produced outside of the US are sold

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Impact on 3000 Fall River Families

The closure of Quaker would be a disaster for Fall River, where we are the largest private employer

The 3000 families that are counting on us to remain financially strong would be quickly relegated to surviving on public assistance, particularly given the current state of our economy

The indirect effects of such a closure would yield untold social and economic costs - with crime rates, drug abuse, infant mortality rates and suicide rates all likely to see significant increases

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Impact on US Textile Families

This scenario would, of course, not be limited to Quaker and Fall River, but would be repeated in many other communities throughout the United States, wherever upholstery fabrics are manufactured.

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Summary

Quaker believes the adoption of this proposed standard would not advance the interests of the consumers the CPSC is charged with protecting

Quaker believes that it would result in unintended consequences of such enormous magnitude that the CPSC would be well advised to review every available alternative with exacting care

Consider the risk of wiping out whole industries and whole communities, the safety and health risks to the final consumers

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Summary

Consider the risk to the employees who would be responsible for applying the chemicals needed to comply with the standard

Consider the serious risk of death or injury by fire posed to the technicians attempting to keep the product compliant

Consider the dramatic increase in the cost of upholstered furniture to the consumers this standard seeks to protect

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Summary

All of these severe and real risks, coupled with the fact that the technology simply does not exist to meet the testing requirements, will ensure the adoption of this standard will present far more risks to the consumer than it could ever hope to eliminate. Or, put somewhat differently, if TRIS was a fiasco, adoption of this standard would be apocalyptic.

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Appendix A

	Appendix A		
Open Flame Standard - Cost Of Implementation			
Quaker Fabric Corporation of Fall River			
Cost of Implementation			
1	Current Finishing Processes	9	
2	Loss in capacity (reduced speed for higher add-on)	100%	
3	Increased number of finishing processes	9	
4	Rework levels based on sample plan	93%	
5	Total increase in finishing processes	27	
6	Cost per Finish process	$2,500,000	
7	Total cost of increased finishing capacity	$67,500,000	
8	Building to house new capacity (900,000 sq.ft @ 60/foot)	$54,000,000	
9	Testing facilities (250 testing positions)	$5,000,000	
10	Environmental compliance (exhaust scrubbers 36 dryers)	$9,000,000	
11	Sample storage building (12,000 cubic feet/week - 6 years)	$10,800,000	(20X425)
12	Cost of land to build new facilities (8, 9, 11)	$2,000,000	
13	25% Contingency - yet to be determined technology	$37,700,000	
14	**Total Implementation Capital**	**$188,500,000**	

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Appendix B

Appendix B

Open Flame Standard - Cost Of Compliance
Quaker Fabric Corporation of Fall River

I. First Time Processing Success Rates

	Failure Rate	Success Rate	Specimen # 1	Specimen # 12	Specimen # 60
Actual BS 6852 Experience	20.000%	80.00%	80.00%	6.87%	0.0002%

II. Production Compliance Testing

A Cost of Fabric

1	Weekly production (yards)	1500000
2	Weekly samples (1/1000 yards)	1500
3	Weekly specimens (12 yards/sample)	18000
4	Re-testing (100% - 6.87%)	16763
5	Yards required for testing (c +d)	33527
6	Yardage required for sample retention	18000
7	Total yards required per week	51527
8	Cost per yard of fabric	$7.25
9	**Cost per week**	**$373,569**

B Cost of Foam

1	Cost of foam per specimen	$3.02
2	Specimens per week	33527
3	**Cost per week for foam**	**$101,251**

C Cost of Labor

1	Specimens/hour/technician	1
2	Labor cost/hour	$17.00
3	Cost/specimen	$17.00
4	Specimens per week	33527
6	**Cost per week labor**	**$669,956**

D Total Cost of Compliance

1	Weekly	$1,044,776
2	Annual	$54,328,343

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Appendix C

		Appendix C	
	Open Flame Standard - Cost Of Development		
	Quaker Fabric Corporation of Fall River		
	Cost of Development		
	1	Number of SKU's to be re-engineered	60,000
	2	Success rate (based on BS 5852 experience)	33%
	3	Number of specimens needed (4 per sku)	727273
	4	Cost per test specimen	$31.16
	5	**Total Development Costs**	**$22,661,818**

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Appendix D

Appendix D

Open Flame Standard - Environmental Impact
Quaker Fabric Corporation of Fall River

I	**FR Backing System**		
	a	Brominated compounds (including Tetrabromobispehnol-a)	35%
	b	**Antimony oxide (antimony trioxide - NSC)**	5%
	c	*Isodecyl diphenyl* phosphate	3%
	d	**Chlorinated paraffins (NSC)**	3%
II	**FR Estimated Usage**		
	a	Application weight per yard (wet pounds)	0.75
	b	Yards per week	1,500,000
	c	FR chemical system usage per week - wet weight	1,125,000
	d	FR chemicals used per year - dry weight	29,250,000
III.	**Environmental Impact**		
	a	Pounds of Brominated compounds	10,237,500
	b	Annual level of VOC @ 0.07%	40,950
	c	Current threshold limit	40,600
	d	Pounds in excess of threshold	350

Revised

WEAVE CORPORATION

Comments to the CPSC by Roger L. Berkley, President of Weave Corporation

Although I have addressed the Commissioners and staff a number of times over the last seven years, I want to re-introduce my company to you briefly. In 1910, my great grandfather opened a little weaving mill in Paterson, New Jersey, America's Silk City. In 1924, my grandfather took over the company and just after World War II, my father and uncle, veterans of the conflict, returned to join the company, changing it from a proprietorship to a corporation in April of 1955 when they purchased a closed mill in Denver, Pennsylvania, a small town in Lancaster County's Amish country. That mill, expanded and repeatedly modernized, is still home to Weave Corporation. Our family business has weathered two World Wars, the Great Depression, an assortment of recessions and the vicissitudes of economic life in the United States. Today, we are designers, weavers and importers of upholstery fabrics aimed at the higher end of the market.

Since 1994, Weave Corporation, our competitors, our suppliers, our customers, their suppliers and the taxpayers of the United States through the Commission and other governmental labs and entities have spent hundreds of thousands, if not millions, of dollars trying to determine how best to address the issue of small flame ignition of upholstered furniture. To enlist such a massive array of resources, we must assume that we are dealing with a problem of major proportions. Having lost a beloved first cousin in a house fire, I must tell you that the loss of a single child is not acceptable. The only question is what is the most advantageous method for reducing the risk from the small flame ignition of upholstered furniture.

How big is the risk? In 1998, the last year for which numbers are available, there were about 85 fires caused by small flame ignition of upholstered furniture. Of these, about 2/3 or 57 fires were caused by children under the age of 5 playing with matches, candles or lighters. So all this effort, money and controversy is geared at stopping about sixty kids from playing with matches. I know that some of the staff really didn't feel that it would be useful to have these facts restated here today, but it's important to have a realistic perspective.

In our house, matches have always been kept in a closed container on a high shelf. Probably most of you have taken similar steps to keep your families safe. The 85 fires were in the homes of people in the lower socio-economic bracket when the children were left unattended and had access to matches, candles and/or lighters. Smoke detectors were non-existent, non-functional or inaudible to responsible adults.

My purpose here today is twofold, first, to try to address the latest staff proposal's impact on my company and, second, to suggest other options that may address the issue at hand with less destructive pressure on the industry.

In its proposal the staff made a good faith effort to address the concerns of the very top of the market wholesalers by permitting the use of flame retardant barrier cloths. I think that the inclusion of a barrier cloth option will be helpful to them, but will have but limited effect on their suppliers. About 75% (seventy five percent) of Weave Corporation's business is done with wholesalers of fabrics both residential and contract. Many of those companies will find interliners to be helpful. Overwhelmingly, however, our wholesaler clients service the upper-middle segment of the market and up. Like our furniture manufacturer accounts, the broad reach of these customers touches a wide assortment of ultimate users, including many who face price constraints that will render our fabrics too expensive when their use must be coupled with the additional cost of double upholstering furniture. What I mean is that the application of a barrier cloth is a complete upholstery job. When a decorative fabric is used, it must be applied over the barrier cloth resulting in the need to upholster the upholstered piece again. The additional cost to the consumer will force them to buy less expensive fabrics and furniture. The furniture manufacturers should be able to provide a precise figure for the cost of double upholstering.

Like virtually all mills that service the top of the market, we also supply middle market companies too. These customers are very price sensitive, and the need to double upholster, potentially coupled with the obligation to change to different raw materials that may improve fire performance, will make it prohibitive for them to buy from us. At this time it's impossible to predict how negative the effect will be, but we do note that whenever there is a downturn in the economy, these accounts tend to avoid placing higher end goods in order to keep their prices down. When this has happened, our sales to this category of customers has dropped from five to fifteen percent.

The biggest burden we face with the new staff proposal involves testing. As a small business, we do not have in-house flammability testing capabilities. We must use outside laboratories. This alone will put us at a severe competitive disadvantage against our larger brethren. The question of honest compliance by foreign suppliers must also be considered. Some non-U.S. suppliers will toe the line, but those at the very low end of the market and/or those whose textile industries have a long history of evading U.S. customs and other regulations will provide proper documentation without actually testing the fabrics.. It must be noted that some upholstery fabrics have started to come into the U.S. pre-cut and under customs codes listing them as "furniture pieces" thereby evading the scrutiny of U.S. authorities. With customs focusing on anti-terror issues first and narcotics interdiction second, how will non-U.S. suppliers be compelled to live by the same rules that American companies must observe? Further, our experience is that clients require test results before they will even consider purchase of a specific item. This means that everything we make will have to be tested. The costs, as best as we can understand them today, break down like this:

TESTING COSTS

Total # of patterns per year 1200

INITIAL TESTING
Fabric orders greater than 50 yards
But less than 1,000 yards.
Initial testing require,
12 yards of fabric
(3 tests, 4 specimens)

Total cost of testing per year $2,808,000.00
$195.00 per test @ certified lab
1200 designs per year, 12 tests per pattern
($195.00 x12x1200 tests)

Since our average order size is one to two rolls of fabric per pattern (55 – 110 yards), and since most of our fabrics sell less than 1,000 yards per year, virtually all our fabrics will fall into this first category.

NORMAL TESTING
Fabric orders greater than 1,000 yards
But less than 5,000 yards.
Normal Testing, 6 yards of fabric
(2 tests, 4 specimens)

Total cost of testing per year $1,872,000.00
$195.00 per test @ certified lab
1200 designs per year, 8 tests per pattern
($195.00x8x1200 tests)

REDUCED TESTING
Fabric orders greater than 5,000 yards
But less than 10,000 yards.
Normal Testing, 6 yards of fabric
(2 tests, 4 specimens)

Total cost of testing per year $1,872,000.00
$195.00 per test @ certified lab
1200 designs per year, 8 tests per pattern
($195.00x8x1200 tests)

To reach these estimated testing costs I have not included the costs of fabric for testing. In the initial testing the cost of fabric would be very high. In some cases 12 yards for testing for 100 yards sold. This means12% of the cost of manufacturing would be utilized for CPSC test compliance.

Our assumption here is that 100% of our fabrics tested would pass the CPSC tests. When fabrics fail they require retesting costs using higher levels of FR treatments. This would lead to higher retesting and fabric manufacturing costs.

For purposes of illustration, we have run the numbers for March of 2002. Here's what we have found:

For the month of March 2002

-Cost of Testing @ 90% passing rate	**$156,000.00 To $234,000.00**
-Cost of fabric 100 designs per month, 12 yards per design, $10.00 per yard, @ 90% passing rate	**$13,200.00**
TOTAL	**$169,200.00 To $247,200.00**

These are very optimistic numbers, 90% passing rate. We know based on testing done by our QC Director Salman Chaudhry and ATMI that a much higher percentage of our fabrics may not pass. To stay competitive, indeed to survive, we would have to spend a lot of money and time in the areas of R&D. Some fibers and many fabrics will be eliminated from the market.

For a business of less than $50million per year, these costs are catastrophic. We will not survive.

Of course this begs the question of why are we testing individual components anyway. Those wholesalers and retailers who buy our fabrics don't know if the consumers will use their fabrics to upholster furniture, make bedspreads, make decorative pillows, make apparel items or whatever. Testing costs for these customers are just a gratuitous expense.

When we offer fabrics to furniture manufacturers, we have no control over how they will combine the fabrics with other components. We have no influence over the furniture manufacturers' choice of wood frame components, hardware (springs, screws etc.), glue, foam, batting, welt cord, interliner, trimmings and anything else they may include when building upholstered pieces. As a fabric supplier, all we do is submit samples for consideration against hundreds of other fabrics from many other fabric suppliers both domestic and foreign. The furniture makers make all decisions about how potential components will be combined. It seems logical to do composite testing at this stage of the process since this is the point at which it is known for sure that the various components will become furniture.

What might be done that will improve fire safety in the homes of those 60 or so kids and keep the jobs of the roughly 200 people who work at Weave Corporation?

The families that are at risk are in lower socio-economic groups and don't buy new furniture very often, and won't be buying higher priced furniture double upholstered with

barrier cloth. The irony of the situation is that the additional cost of safer furniture will make it both more difficult and less likely to provide protection to those who need it most. The CPSC would be imposing a penalty on those who can least afford it and who we most need to protect. Rather, we need to reach out to them in ways that are both effective and appropriate.

Smoke detectors with long-life batteries might be provided with purchases of at least 2 pieces of new upholstered furniture along with brochures about fire safety aimed at parents. Dealers could turn in buyer registration cards, which would allow UFAC to compile a database and send a "replace your battery" reminder card each year on the anniversary of the original purchase for five years.

The Commission could run age appropriate public service commercials for young children about fire safety. It's reasonable to assume that creators of children's programming would be willing and desirous of having their programs and characters associated with this kind of campaign. Public service spots aimed at parents are an option as well.

Can we be assured that measures like this will be effective? No, but they present the least onerous method of trying to achieve our mutual goal of improving fire safety for those who are most at risk from small open flame ignition fires. The issue can be revisited after some years to see if these steps have been effective.

Thank you for giving me this opportunity to speak with you.

Upholstered Furniture Flammability Proceeding

Joan/Mastercraft Fabrics
June 18-19, 2002

Joan/Mastercraft Fabrics, LLC

- Joan/Mastercraft Fabrics, LLC is a privately held designer and manufacturer of residential upholstery fabrics. Our customer base includes furniture manufacturers, as well as, upholstery fabric wholesalers and retailers of all sizes.

Joan/Mastercraft Fabrics, LLC

- Product Offering
  - Over 100,000 fabric skus
  - Various fiber types and combinations
  - Minimum production order (lot) is 55 yards
  - Over 600 finish routings (codes)

Joan/Mastercraft Fabrics, LLC

- Position Statement
  - We are currently opposed to the draft standard for small open flame ignition of upholstered furniture.

Joan/Mastercraft Fabrics, LLC

- Position Support
  - Our view is that the draft in its current state, does not address the root cause of the problem of the small open flame.
  - In addition, the cost burden to implement and maintain the standard is excessive and placed on the fabric manufacturer. This cost will over time be placed on the end consumers, the vast majority of which use reasonable care with small open flames.

Economic Impact Analysis

- Capital and Expense Cost (initial cost)
  - Testing Equipment and Stations
  - Facility Upgrades
  - Facility Expansions

Economic Impact Analysis

- Operating Cost (ongoing)
  - Testing Labor
  - Administrative Labor
  - Raw Materials
  - Testing Materials

Economic Impact Analysis

- Other Costs
  - Training
  - Product Development
  - Waste Disposal
  - Management

Capital and Expense Cost

Testing Equipment and Stations

• Fume Hood:	$5,700.00	
• Ventilation System	4,500.00	
• Stainless Steel Burner Tube	63.96	
• Stop Watch	34.61	
• Flow Meter	232.94	
• Butane	469.30	
• Material for Test Frame	184.00	
• Installation Wages	1152.00	
Total		$12,336.81 per station

Capital and Expense Cost

- Facility Upgrades and Expansions
  - Additional 5000 sq. ft. for testing stations and storage of required records.
  - $425,000

Operating Cost

- Testing and Administrative Labor
  - Sample procurement
  - Sample preparation
  - Specimen mounting
  - Testing
  - Wage Rates
- $45.96 per production lot

Operating Cost

- Raw Materials (destructive testing)
  - Fabric cost $94.50 per production lot
    - Yds. fabric X Cost yd.
  - Poly cost $11.76 per production lot
- $106.26 per production lot

Other Cost

- Training
  - Number technicians
  - Hours training
  - Technician rate
- $9466 per year

Other Cost

- Product Development
  - 1000 new fabrics
  - 1500 trials
  - 1500 X $152.22 = $228,330 annual
- Waste Disposal
  - 25,500 lots a year
  - 10.8 lbs/lot = 275,400 lbs/year
- $4406 per year to dispose

Other Cost

- Management
  - $100,000 a year

Total Estimated Cost

▸ Capital and Expense	$	511,357
▸ Operating Cost		3,653,280
▸ Other Cost		337,796
▸ First year cost total	$	4,505,433
▸ Subsequent years	$	3,991,076

Other Issues

- Product Aesthetics
- Customer Service Delays
- Current Inventories
- Reduced Product Offering
- Increased Product Cost

Our Conclusion

- The draft standard for small open flame ignition of Upholstered Furniture will create a significant financial burden on the upholstery fabric industry.
- The draft standard will potentially limit consumer choice and freedom in the selection of upholstered furniture products.